Selling of Iron Ore at throwaway Price

1946, MISS MABEL REBELLO: Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that even after 52 years of Independence we are still selling iron ore in Goa and Madhya Pradesh at a throwaway price;

(b) what viz. Technology, manpower, capital, deters us to convert precious iron ore into value added products and sell it at a manifold price earning thereby manifold foreign exchange and profits; and

(c) what is the National foreign exchange loss India suffered in this financial year on account of this?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI DILIP RAY): (a) to (c) No, Sir. In Goa, the iron ore available is of low grade with Fe content ranging from 58% with high Alumina and Silica. The same is upgraded by beneficiation to make it exportable, thus earning valuable foreign exchange. The Goan mine owners have adopted latest technology in beneficiation practices like high strength magnetic separators for recovery of magnetic iron ore and wet beneficiation practices for recovery of oxidised ore. The capital invested by mine owners is limited, in most of the area, to the extent of Beneficiation Plant and some mining machinery only.

Steel Authority of India Ltd. (SAIL) and National Mineral Development Corporation Ltd. (NMDC) are the two major iron ore producers in Madhya Pradesh. The entire iron ore production of SAIL is being consumed by their steel plants. Thus, the iron ore produced is being converted into value added product by SAIL. Further in the context of value addition nineteen new iron & steel projects are coming up and these would use substantial amounts of iron ore produced in the country.

In the case of NMDC only high grade iron ore is produced in its Bailadila mines in M.P. Besides supplying iron ore to Visakhapatnam Steel Plant, Essar Gujarat Ltd., Vikram Ispat Ltd. etc., in the domestic market they are exporting iron ore through MMTC at prices at which iron ore is traded worldwide. Thus, there is no loss of foreign exchange.